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U. S. Department of Labor

Commissioner for
Bureau of Labor Statistics
Washington, D.C. 20212



MAY 20 1985

[Redacted]
Director
Office of Global Issues
Central Intelligence Agency
Washington, D.C. 20505

STAT

Dear [Redacted]

STAT

Enclosed are our latest series of estimates of alternative measures of industrial countries' export prices to OPEC and of OPEC crude oil price per barrel as measured by U.S. crude oil import prices valued at foreign ports of loading.

For the United States, Germany, and Japan, the three countries for which reliable export price data are available, we estimate that export prices in dollars to OPEC decreased 1.2 percent in the fourth quarter of 1984 (Table 2). The strengthening of the dollar against the deutschemark and the yen during the fourth quarter was the primary reason for this decline. In national currency terms, export prices for Germany rose 0.8 percent, while Japanese export prices declined 0.3 percent. However, when translated into dollar terms, export prices for Germany and Japan fell 3.4 and 1.3 percent, respectively. U.S. export prices to OPEC remained unchanged during the fourth quarter.

The price of U.S. crude oil imported from OPEC decreased 2.1 percent in the fourth quarter, while the price of crude oil imported from all sources decreased 1.9 percent during the same period.

The enclosed tables include the export price series used in the calculation of the aggregate price series (Table 1), as well as several estimates of industrial countries' export price trends to OPEC using different types of export price data for the industrial countries (Tables 2 and 3). Another table (Table 4) compares these aggregate price series with a price series which shows our estimates for the OPEC crude oil price per barrel. The final table (Table 5) shows our estimates of crude oil prices per barrel from all sources, from non-OPEC countries, and from selected regions and individual countries. The aggregate price series are calculated both in terms of the national currencies of each of the countries and also in terms of U.S. dollars, so that the impact of exchange rate fluctuations on the estimates can be observed. For

Mr. James P. Lynch--2

MAY 20 1985

information on the general methodology used to calculate the series and sources of data, please refer to the footnotes to each table and to our publication, Estimating Price Trends of Industrial Countries' Exports to OPEC.

The series of estimates based on export price indexes for Germany, Japan, and the United States is calculated through the fourth quarter of 1984. The remaining series include information only through the third quarter of 1984, due to time lags involved in obtaining export unit value indexes from the foreign countries. Also note that the aggregate series are recalculated quarterly to include revisions of the underlying price data published by each of the countries.

The index of the f.o.b. foreign port prices of U.S. crude oil imports from OPEC is calculated from Department of Energy crude oil import transaction prices (see Table 4). Also included in this transmittal are separate price indexes of U.S. crude petroleum imports from all sources, from non-OPEC countries as a group, and from selected regions and individual countries (see Table 5); a description of the methodology used in the calculation of these indexes is available on request.

These new estimates revise and supplant earlier series transmitted in our letter of December 1984. If you have any questions concerning these estimates, please contact me or Ms. Katrina Reut, Chief of the Division of International Prices, on 272-5025.

Sincerely yours,

JANET L. NORWOOD
Commissioner

Enclosures

Table 1. Export price indexes for Germany and Japan, and specially constructed U.S. export price index to OPEC, 1970-1984 ^{1/}
(Indexes in dollar terms; 1977 II=100)

Year and Quarter	Germany		Japan		United States
1970 II	42.5	(69.1)	58.7	(76.8)	62.8
1971 II	46.8	(71.8)	59.4	(77.8)	65.1
1972 II	54.1	(72.9)	66.9	(76.5)	66.9
1973 II	66.9	(77.4)	81.7	(78.8)	74.5
1974 II	85.5	(90.7)	105.3	(106.7)	87.1
1975 II	94.7	(94.5)	100.1	(106.4)	98.6
1976 II	90.8	(98.4)	96.5	(105.0)	96.8
1977 II	100.0	(100.0)	100.0	(100.0)	100.0
1978 II	114.5	(100.8)	118.5	(95.1)	106.8
1979 II	131.4	(105.6)	126.7	(100.3)	116.8
1980 I	148.6	(111.7)	126.7	(112.2)	127.0
II	147.2	(113.0)	133.0	(112.5)	128.3
III	150.9	(113.5)	138.4	(110.7)	132.7
IV	141.3	(114.5)	142.7	(109.3)	136.7
1981 I	131.9	(116.6)	145.6	(108.9)	140.2
II	123.3	(118.8)	141.0	(112.7)	142.4
III	117.0	(120.6)	138.4	(116.6)	143.6
IV	127.0	(120.8)	141.0	(115.1)	145.1
1982 I	124.2	(123.4)	137.4	(116.6)	146.1
II	123.3	(124.3)	132.3	(117.4)	146.7
III	118.7	(124.8)	125.4	(117.9)	146.9
IV	117.7	(124.8)	122.7	(115.8)	147.3
1983 I	122.9	(125.4)	127.9	(109.6)	147.8
II	119.5	(125.9)	126.9	(109.6)	148.1
III	114.2	(127.8)	125.0	(110.2)	150.2
IV	113.3	(128.5)	127.6	(108.6)	150.4
1984 I	113.6	(130.1)	128.9	(108.3)	152.0
II	114.4	(131.3)	130.1	(108.6)	153.2
III	106.9	(132.2)	126.4	(111.8)	152.6
IV	103.0	(133.2)	124.7	(111.5)	152.6

NOTE: Figures in parentheses are indexes in national currencies

^{1/} For Germany and Japan, unweighted average of monthly values.
For the United States, estimate for the last month of each quarter, unless otherwise noted.

Table 1—Continued

SOURCES:

Germany and Japan - Data in national currencies from International Financial Statistics (February 1979) and more recent issues. Data in dollar terms calculated from export price data in national currencies and exchange rates from same source. Export price indexes are weighted internally using value of exports to the world.

United States - Export price measure for the United States uses export price data published by the Bureau of Labor Statistics and the U.S. Department of Agriculture and domestic prices for some categories, weighted using the value of U.S. exports to OPEC in 1980. For methodology and important assumptions in the construction of the measure, see Edward E. Murphy and Jorge F. Perez-Lopez, "U.S. Export Prices and OPEC Oil Prices," Monthly Labor Review (November 1975), Table 7.

U.S. Department of Labor
Bureau of Labor Statistics
May 1985

Table 2. Aggregate measures of export price trends for Germany, Japan and the United States weighted by each country's share of exports to OPEC in 1980, selected quarters and period-to-period percent changes, 1970-1984 (Indexes in dollar terms; 1977 II=100)

Year and Quarter	Export Price Indexes				Export Unit Value Indexes			
	Index		Percent Change		Index		Percent Change	
1970 II	56.9	(70.1)	-	-	49.5	(62.0)	-	-
1971 II	58.6	(72.0)	3.0	(2.7)	51.4	(64.0)	3.8	(3.2)
1972 II	63.9	(72.3)	9.0	(0.4)	56.1	(63.7)	9.1	(-0.5)
1973 II	75.5	(77.0)	18.2	(6.5)	65.5	(67.6)	16.8	(6.1)
1974 II	93.7	(95.9)	24.1	(24.5)	85.7	(87.8)	30.8	(29.9)
1975 II	96.4	(98.9)	2.9	(3.1)	93.9	(96.3)	9.6	(9.7)
1976 II	95.3	(100.5)	-1.1	(1.6)	92.0	(97.0)	-2.0	(0.7)
1977 II	100.0	(100.0)	4.9	(-0.5)	100.0	(100.0)	8.7	(3.1)
1978 II	113.1	(100.5)	13.1	(0.5)	114.4	(101.5)	14.4	(1.5)
1979 II	124.1	(107.2)	9.7	(6.7)	126.1	(108.8)	10.2	(7.2)
1980 I	132.0	(117.0)	6.4	(9.1)	134.9	(119.3)	7.0	(9.7)
II	134.5	(117.9)	2.0	(0.8)	137.7	(120.4)	2.1	(0.9)
III	139.1	(118.8)	3.4	(0.8)	141.8	(120.8)	3.0	(0.3)
IV	140.1	(119.8)	0.7	(0.8)	144.4	(123.3)	1.8	(2.1)
1981 I	140.4	(121.4)	0.2	(1.3)	145.7	(125.8)	0.9	(2.0)
II	137.4	(124.3)	-2.1	(2.4)	141.7	(128.0)	-2.7	(1.7)
III	135.3	(126.7)	-1.5	(1.9)	138.9	(130.0)	-2.0	(1.6)
IV	139.3	(126.6)	3.0	(-0.1)	145.1	(131.7)	4.5	(1.3)
1982 I	137.6	(128.2)	-1.2	(1.3)	143.3	(133.3)	-1.2	(1.2)
II	135.7	(129.0)	-1.4	(0.6)	141.9	(134.8)	-1.0	(1.1)
III	132.0	(129.4)	-2.7	(0.3)	137.6	(134.5)	-3.0	(-0.2)
IV	130.9	(128.7)	-0.8	(-0.5)	136.2	(134.1)	-1.0	(-0.3)
1983 I	134.3	(126.6)	2.6	(-1.6)	139.8	(131.6)	2.6	(-1.9)
II	133.2	(126.8)	-0.8	(0.2)	137.5	(130.8)	-1.6	(-0.6)
III	132.1	(128.3)	-0.8	(1.2)	135.3	(131.3)	-1.6	(0.4)
IV	132.9	(127.9)	0.6	(-0.3)	138.1	(132.7)	2.1	(1.1)
1984 I	134.1	(128.7)	0.9	(0.6)	139.0	(133.1)	0.7	(0.3)
II	135.2	(129.5)	0.8	(0.6)	139.0	(133.0)	0.0	(-0.1)
III	131.8	(130.9)	-2.5	(1.1)	134.9	(134.1)	-3.0	(0.8)
IV	130.2	(131.0)	-1.2	(0.1)	n.a.	(n.a.)	n.a.	(n.a.)

NOTE: Figures in parentheses refer to aggregate measures calculated from country indexes in national currencies.

SOURCES: Export unit value indexes - International Financial Statistics (February 1979) and more recent issues. Export price indexes - table 1.

Bureau of Labor Statistics

Table 3. Aggregate measures of export price trends for 14 industrial countries weighted by each country's share of exports to OPEC in 1980, for the years 1970-1984.

(Indexes in dollar terms, 1977 II=100)

Year and Quarter	Aggregate Measures for 14 Industrial Countries Measured by-			
	Export Price Indexes for Germany and Japan, Special Measure for the United States, and Unit Values for the Remaining Eleven Industrial Countries		Export Unit Value Indexes	
1970 II	53.0	(60.8)	48.8	(56.3)
1971 II	54.9	(62.7)	50.8	(58.2)
1972 II	60.4	(63.4)	56.0	(58.5)
1973 II	70.7	(67.9)	65.1	(62.7)
1974 II	88.2	(85.5)	83.7	(81.0)
1975 II	96.3	(90.5)	95.0	(89.0)
1976 II	98.0	(95.3)	91.1	(93.3)
1977 II	100.0	(100.0)	100.0	(100.0)
1978 II	112.5	(102.3)	113.2	(102.9)
1979 II	127.7	(111.1)	128.9	(112.0)
1980 I	142.4	(122.8)	144.2	(124.2)
II	144.9	(124.9)	146.8	(126.4)
III	150.2	(126.2)	151.8	(127.4)
IV	149.0	(128.2)	151.5	(130.2)
1981 I	146.5	(131.4)	149.6	(133.9)
II	141.3	(135.4)	143.7	(137.6)
III	137.7	(139.4)	139.8	(141.4)
IV	143.1	(140.5)	146.4	(143.5)
1982 I	141.2	(143.5)	144.4	(146.5)
II	138.4	(145.1)	141.9	(148.4)
III	134.3	(147.0)	137.5	(149.9)
IV	132.9	(147.8)	135.9	(150.9)
1983 I	135.2	(146.8)	138.2	(149.8)
II	133.3	(148.3)	135.7	(150.7)
III	131.2	(151.1)	133.0	(153.0)
IV	131.5	(152.7)	134.4	(155.6)
1984 I	132.6	(155.3)	135.3	(158.1)
II	133.4	(157.0)	135.5	(159.2)
III	128.6	(159.3)	130.3	(161.4)
IV	n.a.	(n.a.)	n.a.	(n.a.)

NOTE: Figures in parentheses refer to aggregate measures in national currencies of each country.

SOURCES: Export unit value indexes - International Financial Statistics (February 1979) and more recent issues. Export Price Indexes - table 1.

Bureau of Labor Statistics

Table 4. U.S. crude oil import price index compared with alternative estimates of industrial countries' export prices to OPEC.

(Indexes in dollar terms; 1977 II=100)

Year and Quarter	Germany, Japan and the United States Using-		14 Industrial Countries Using-		Price Index of U.S. Crude Oil Imports from OPEC
	Export Prices	Export Unit Values	Export Price Indexes for Germany and Japan, Special Measure for the United States, and Unit Values for the Remaining Eleven Industrial Countries	Export Unit Values	
1970 II	56.9	49.5	53.0	48.8	8.3
1971 II	58.6	51.4	54.9	50.8	11.1
1972 II	63.9	56.1	60.4	56.0	12.1
1973 II	75.5	65.5	70.7	65.1	14.3
1974 II	93.7	85.7	88.2	83.7	78.0
1975 II	96.4	93.9	96.3	95.0	85.5
1976 II	95.3	92.0	93.0	91.1	92.2
1977 II	100.0	100.0	100.0	100.0	100.0
1978 II	113.1	114.4	112.5	113.2	101.2
1979 II	124.1	126.1	127.7	128.9	134.8
1980 I	132.0	134.9	142.4	144.2	232.5
II	134.6	137.7	144.9	146.8	244.3
III	139.1	141.8	150.2	151.8	247.4
IV	140.1	144.4	149.0	151.5	253.5
1981 I	140.4	145.7	146.5	149.6	272.5
II	137.4	141.7	141.3	143.7	269.4
III	135.3	138.9	137.7	139.8	265.4
IV	139.3	145.1	143.1	146.4	265.6
1982 I	137.6	143.3	141.2	144.4	262.5
II	135.7	141.9	138.4	141.9	260.0
III	132.0	137.6	134.3	137.5	259.1
IV	130.9	136.2	132.9	135.9	257.5
1983 I	134.3	139.8	135.2	138.2	229.8
II	133.2	137.5	133.3	135.7	224.3
III	132.1	135.3	131.2	133.0	222.3
IV	132.9	138.1	131.5	134.4	221.9
1984 I	134.1	139.0	132.6	135.3	220.8
II	135.2	139.0	133.4	135.5	221.6
III	131.8	134.9	128.6	130.3	219.6
IV	130.2	n.a.	n.a.	n.a.	215.0

SOURCES: Germany, Japan, and the United States - Calculated from table 2. All industrial countries - calculated from table 3. OPEC revenue per barrel - op. cit.

Bureau of Labor Statistics

Table 5. Price indexes of U.S. imports of crude petroleum, June 1975 to December 1984
[June 1977 = 100]

Period	Imports from all countries	Imports from OPEC	Imports from Non-OPEC countries	Imports from selected regions					Imports from selected countries		
				Africa	Far East	Latin America	Middle East	Indonesia	Mexico	Nigeria	Saudi Arabia
1975 II 1/	n.a.	85.5	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.
1976 II	91.9	92.2	91.1	89.9	92.6	91.5	94.8	92.8	92.1	89.6	95.1
1977 II	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0
1978 II	101.1	101.2	100.7	98.7	100.1	100.5	104.5	100.1	100.7	97.3	104.9
1979 II	135.2	134.8	136.3	141.7	130.1	133.9	129.3	128.3	131.9	143.0	126.5
1980 I	232.9	232.5	234.2	247.1	227.0	228.3	220.1	224.8	236.4	240.6	214.1
II	244.0	244.3	246.1	255.8	240.7	236.3	235.0	238.9	244.1	250.1	232.8
III	247.3	247.4	247.1	259.2	242.3	242.3	237.8	240.0	251.1	255.4	234.7
IV	252.6	253.5	250.1	259.4	244.0	245.6	252.2	241.5	255.9	255.5	250.9
1981 I	272.9	272.5	274.2	279.2	265.8	272.6	269.2	263.2	265.4	275.0	266.3
II	267.6	269.4	262.2	276.3	262.7	258.2	265.4	260.7	264.0	271.8	262.8
III	261.3	265.4	248.9	268.3	259.5	245.8	264.1	258.4	250.7	264.2	268.8
IV	262.1	265.6	251.7	263.3	260.7	247.5	270.9	259.8	253.5	255.5	271.7
1982 I	257.2	262.5	240.9	256.3	256.9	237.3	272.3	256.3	242.0	251.7	276.2
II	253.8	260.0	234.9	252.3	255.9	230.4	271.8	255.9	233.3	246.8	276.0
III	253.3	259.1	235.6	252.0	255.4	229.8	270.3	255.3	230.9	246.4	274.2
IV	252.0	257.5	235.2	249.9	253.5	229.8	269.4	253.3	231.3	244.6	273.4
1983 I	224.8	229.8	209.5	221.8	223.8	206.3	241.6	223.2	207.9	215.0	245.6
II	219.9	224.3	206.4	216.4	217.1	204.0	236.3	216.5	206.8	209.9	240.2
III	218.5	222.3	207.2	214.6	216.4	206.1	233.2	215.9	209.4	209.5	236.5
IV	218.6	221.9	208.4	214.6	216.5	208.7	232.1	216.0	212.5	209.9	235.1
1984 I	217.6	220.8	208.0	213.2	215.6	208.5	231.4	215.1	212.3	208.2	234.5
II	218.5	221.6	209.0	214.0	215.6	209.4	232.2	215.0	213.7	209.1	235.4
III	216.5	219.6	207.3	211.2	214.3	209.2	230.3	213.8	213.2	206.2	233.4
IV	212.4	215.0	204.2	206.4	210.7	206.4	226.0	210.3	212.2	199.7	229.1

SOURCES: Price indexes of U.S. imports of crude petroleum - op. cit.

1/ The price index of imports from OPEC is computed back to June 1970 (see Table 4).

Bureau of Labor Statistics